

ATTACHMENT 3
Page 1

Criteria for Evaluation of Administration Proposals

The following list of criteria and implementation considerations are to be used in completing Section V of the “Instructions and Common Format”:

1. **Promotes Integrated Resource Planning and Energy Efficiency**
Goals: The administrative structure ought to wholly support and inform these public policy goals. How does the proposed structure provide the following:
 - a. Capability of administering a portfolio of cost-effective energy efficiency programs that can meet the Energy Action Plan resource goals, Commission goals for per capita reductions in energy use, and resource adequacy requirements.
 - b. Capability, including infrastructure, to create sustainable savings over time.
 - c. Communication and coordination with entities responsible for supply-side portfolio management and transmission planning to ensure that all resource options are considered in a least-cost, integrated manner.
2. **Organizational Focus and Mission:** The organizational focus and mission should be compatible with Criteria #1.
 - a. Describe the organizational focus and vision of the entities proposed in your structure.
 - b. How does the administrative structure ensure that energy efficiency is a core component of the responsibility and focus of the responsible organizations?
 - c. How does the structure minimize the effort of customers to participate in all available demand side programs regardless of funding source: e.g., energy efficiency, demand-response, self-generation?
 - d. Are there any conflicts based on the organizational focus and mission (financial or non-financial) of program administrators with respect to pursuing cost-effective energy efficiency? If so, what are they?
3. **Accountability and Oversight:** The administrative structure ought to provide checks and balances throughout the process. How does the proposed structure consider and ensure the following:
 - a. Measurement and monitoring of administrative effectiveness
 - b. Program evaluation/load impact estimates that are both objective and unbiased

ATTACHMENT 3

Page 2

- c. Efficient, non-redundant program costs or efforts, including ability to minimize the costs of achieving additional energy savings
 - d. Remove or mitigate conflicting financial interests to ensure ongoing objective implementation and verification of programs
 - e. Accountability of portfolio and program managers to policy oversight organization
 - f. Ensure accountability for use and management of funds
4. **Administrative Effectiveness:** How does the proposed structure consider and ensure the following:
- a. Collaborative process and involvement of stakeholders, e.g., consumer groups, trade allies, manufacturers, retailers, publicly owned utilities and contractors.
 - b. Coordination and integration of energy efficiency program designs with building and appliance efficiency standards
 - c. Demonstrate flexibility to adapt programs to evolving market conditions/opportunities, including consideration of local needs
 - d. Encourage innovation in program delivery and design
 - e. Respond quickly to input from customers and implementers (those out in the field)
 - f. Respond quickly to state policy direction
 - g. Efficient and timely process for contracting, managing and encumbering funds
 - h. Timely and transparent decisionmaking process
 - i. Ensure that all potential implementers are treated fairly during the selection process
 - j. Holds sufficient legal and financial standing to enter into and enforce contracts with varying levels of risk, and to bear those risks
5. **Implementation Considerations:** Each administrative option will have implementation requirements that should be considered in the selection process. These include:
- a. What are the startup and ongoing costs of the structure/ organization(s), including (at a minimum) a qualitative discussion of staffing and contracting requirements by functional area?

ATTACHMENT 3

Page 3

- b. What are the necessary steps and requirements to ensure smooth transfer of functional responsibilities from current structure to the proposed structure?
- c. What is the long-term prognosis for the sustainability of the proposed structure/organization(s)?
- d. What is required to ensure funding and institutional sustainability of effort over time?
- e. What is the contingency plan if this administrative structure does not work, or another one is deemed necessary?
- f. What are the flexibility considerations for future years, which may see a significant increase or significant reduction in responsibilities?
- g. What legislation, if any, is required to implement the proposed administration structure(s)? *If this legislation is not passed, what is your proposed alternate?*
- h. How will the proposed structure make customer information accessible for the purpose of managing and delivering energy efficiency programs, and retain customer confidentiality?
- i. What other legal issues must be address prior to implementation of the proposed administration structure(s)?

(END OF ATTACHMENT 3)